



## STAY-AT-HOME STREAMLINE REFINANCE PROGRAM

Single Family Mortgage Purchase Agreements apply to the 2016 Mortgage Programs in the NJHMFA Mortgage Program Policy and Procedures for Participating Lenders dated Revised: March 3, 2016/Effective April 1, 2016. All 2016 Program loans are to be originated according to the standards in this Guide. Copies of the Guide are available on our website at: [www.njhousing.gov](http://www.njhousing.gov)

**INTEREST RATE:** Rates will be set daily and listed on NJHMFA's Internet Loan Reservation System (ILRS). Please refer to Chapter 6 of the Guide for more information on the rate lock policy and pipeline management.

**MORTGAGE LOAN MATURITY AND LOAN USE:** 30 year term only, fixed rate, maximum Loan-to-Value (LTV) based on loan type guidelines. Loans types may be FHA or VA streamline refinance loans. VA loans with an original term of 15 years are not eligible.

**FEES:** Please refer to Chapter 1, Section 1-6 of the Guide.

**ELIGIBLE PROPERTIES:** The property must be in the State of New Jersey. The property must be a single family dwelling that is the borrower's primary residence or multiple unit dwelling in which the owner uses one unit as their primary residence and may rent one or more of the remainder. Both the existing mortgage loan and new mortgage loan must meet this requirement. All other guidelines applicable to the insurer/guarantor guidelines of FHA or VA apply. Please refer to Chapter 7, Section 7-2 of the Guide for general property standards.

**ELIGIBLE BORROWERS:** Individuals only. All borrowers on the original mortgage loan which is being refinanced must be parties to the refinance transaction. Non-occupying co-borrowers cannot be added to the new mortgage loan. They are permitted only

when the individuals were co-borrowers on the original loan. If a co-borrower is being removed on a FHA loan, the mortgage loan must be underwritten and documented using FHA's Credit Qualifying Streamline Refinance Guidelines. All borrowers must have a minimum credit score of 620. The middle score from the three credit repositories – Equifax, Experian & TransUnion must be used. If there are less than three reported scores the lowest will be used. If the borrower does not have a credit score they do not qualify. All other borrower eligibility is determined by the respective Federal Agency (FHA or VA) guidelines. Please refer to Chapter 3, Section 3-4 of the Guide for more details.

**OCCUPANCY:** Property must be occupied as the borrower's primary residence. Borrower must maintain occupancy for the life of the loan.

**MORTGAGE INSURANCE:** FHA and VA loans must have appropriate insurance or guarantee.

**CLOSING COSTS:** All closing costs are the borrower's responsibility.

**PARTICIPATION FEE:** Each Participating Lender must pay the Agency a yearly fee of \$2,000. This will allow the Participating Lender to accept applications for NJHMFA programs through the program year. The program year is January through December. The Seller will be reimbursed the \$2,000 fee, after the NJHMFA has purchased five loans in either the NJHMFA First-Time Homebuyer, Homeward Bound or Stay At Home programs. Please refer to Chapter 1, Section 1-2 and Section 1-3 of the Guide for more details.



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## **PARTICIPATING LENDER COMPENSATION:**

- A) A service release fee will be paid to the Participating Lender at the time of loan purchase. This fee is paid on all NJHMFA loans except for PFRS and Smart Start loans. Please refer to Chapter 1, Section 1-6 of the Guide.
- B) *Origination Charge* - An origination charge may not be charged on NJHMFA loans except for PFRS loans. Please refer to Chapter 1, Section 1-6 of the Guide.
- C) *Ancillary Fees* - For all programs, Participating Lenders are allowed to collect customary miscellaneous fees (i.e., underwriting, document review fees) that are permitted under CFPB regulations and have been properly disclosed to the applicant at the time of loan application, but which in the aggregate shall not exceed \$325.00. Please refer to Chapter 1, Section 1-6 of the Guide.
- D) *Tax Service Fee* - Does not apply to FHA or VA loans.

**MORTGAGE LOAN PURCHASE PRICE:** For each loan purchased, NJHMFA will pay to the Participating Lender 100% of the unpaid principal balance of the loan computed as of the date the loan is received for purchase, less any and all fees due NJHMFA. At the time of purchase, applicable fees will either be subtracted or added to the purchased principal balance

